



OXFORD ANALYTICA

MOROCCO

FISCAL TRANSPARENCY

Country Report 2005

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MOROCCO



COMPLIANCE RATINGS

<i>Fiscal transparency</i>	2005	2004	2003	2002
Clarity of roles	••••	•••	•••	•••
Availability of information	•••	•••	•••	•••
Budget preparation	•••	•••	•••	•••
Accountability	•••	•••	•••	•••
Score	3.25	3.00	3.00	3.00

OUTLOOK & COMMENTARY

There have been some positive developments in Morocco's overall transparency during 2005, and subscription to the IMF Special Data Dissemination Standard (SDDS) was achieved on 15 December 2005. Among the most notable developments was the inclusion of a report on the Special Treasury Accounts in the 2006 Finance Law.

Reliance on the agricultural sector has slowed economic growth and increased the level of fiscal risks. Fiscal sustainability remains a concern following the end of privatisation and the need to broaden the tax base. The Finance Law for 2006 highlights various measures to develop fiscal reform, and to increase revenue generation.

A major fiscal risk was eliminated with progress in the programme recommended by the World Bank to reduce the public sector wage bill from over 12% of GDP in 2004 to less than 10% by 2009. Other developments, such as the sectoral incentives programme and an extra-budgetary fund to fight poverty, have shown the government's will to pursue economic growth. There has also been notable progress in efforts to increase the availability and consistency of fiscal data, although improvements are still needed in some areas.

EXECUTIVE SUMMARY

3.25 Enacted

Morocco is pursuing efforts to comply with international standards, and subscribed to the IMF Special Data Dissemination Standards (SDDS) on 15 December 2005. Measures developed during 2005 were consistent with these efforts to improve the availability and quality of data.

For the first time, the Finance Law for 2006 was introduced to the parliament accompanied by a presentation to allow a complete understanding of the macroeconomic assumptions included in the *Financial Report*. Faced with difficult external and internal constraints, notably the sharp rise in oil prices and a slowdown in the agricultural sector, the Ministry of Finance (MoF) is developing reforms to control expenditures and increase the tax base. The World Bank has participated in a major reform of the public sector, recommending a programme of early retirements for workers to decrease the government's wage bill, which until this year constituted a major fiscal risk. Already a major success, the programme will have reduced the wage bill by 1% of GDP by the end of 2005. Other measures and programmes are in place to help reduce expenditure, and the government is in discussions with the European Union to prepare a reform of the public sector.

Strongly committed to GDP growth, the government is launching a sectoral development initiative called the Emergence Plan, under which selected sectors of the economy will benefit from incentives to lead the country's development. However, a lack of transparency was noted regarding this government-initiated development plan, and the financing of the incentives remain vague.

The Banking Law is almost completed and has already been approved by the first parliamentary chamber. The law will help assert and strengthen the independence of the central bank.

Information on privatisation, the public sector, the progress of budget reforms, and the finance laws are now easily available on government websites. A lack of general aggregate figures is still noted by various commentators, as is the lack of independent audit data.

Morocco's overall rating has improved from 3.00 in 2004 to 3.25

1. CLARITY OF ROLES, RESPONSIBILITIES, AND OBJECTIVES



Compliance in progress

The government sector should be distinguished from the rest of the public sector and from the rest of the economy, and policy and management roles within the public sector should be clear and publicly disclosed.

Structure, functions, and responsibilities of government

Morocco's administration comprises the central government, 16 regional governments (*wilaya*), 49 provinces, 12 prefectures and eight urban prefectures, and over 1,500 communes.¹ Regional governors (*wali*) constitute an intermediate level of administration with control over several provinces. The constitution clearly sets the government apart from the private sector.

Coordination and management of budgetary activities

The Ministry of Finance and Privatisation (MoF) is responsible for drafting the Finance Law -- *Loi des finances* -- and for its implementation through its various departments. The roles and responsibilities of the MoF are detailed in the 1978 Decree on the Organisation of the MoF and are detailed on the MoF's own website.²

The respective roles of the Ministry of the Interior (MoI) and the MoF with regard to local government finances are not clearly defined. For example, the MoI is in charge of local budgets at the commune level, but the MoF plays a role in the approval of local budgets. Local government borrowing can only be included in the local budget once it has received approval from both the MoF and MoI.³

Relations between government and public sector agencies

Although the division of roles and responsibilities across government is formally clear, the broad formal remit of the MoF under the law leaves some room for ambiguity, particularly with regard to monetary, exchange rate, financial and credit policy. However, the Banking Law Project will help to clarify the differing roles of the central bank and the MoF.⁴ In June 2005, a reform of the central bank charter was approved by parliament, asserting the principle that the central bank should be independent. The bill provides regulations for lending to the Treasury.⁵ Also, the Banking Law passed the first chamber of the Parliament in November 2005 and is expected to be accepted by the end of the year.

The government sector in Morocco is clearly distinguished from non-government sectors, in spite of the fact that government activities extend into many areas of the economy. Total central government expenditure for 2004 accounted for 30.5% of GDP.⁶ The MoF publishes a list of public entities in its annual budget annex and on its website, as well as a table showing autonomously managed public services under particular ministries, which are also known as *Services de l'Etat Gérés de Manière Autonome* (SEGMA). They are presented separately from the general budget because they are partly financed from revenues generated by the services they provide to the public. The MoF also publishes, with the Finance Bill, a report that describes the mission and activities of the various SEGMA as well as their budgetary impact for the current and previous year.

The Finance Law also covers numerous funds called Special Treasury Accounts -- *Comptes spéciaux du trésor* (CST) -- that earmark funds from a variety of sources for specific uses (examples include the Fund for the Development of Agriculture, the National Fund for the Development of Sport, and the National Fund for Cultural Action). A public report on the CST was published for the first time in 2005.⁷ A number of independent observers have commented on the opacity of these funds.⁸ The Finance Law in 2006 is providing more information regarding the CST; however, various commentators indicated again the limited transparency available regarding their activities.⁹

Government involvement in the private sector

Since 1993, Morocco has been executing an ambitious privatisation programme of public sector enterprises which has so far transferred 44 companies and 26 hotels into private hands.¹⁰ Late last year, Vivendi Universal increased its ownership in *Maroc Telecom* to 51%; followed by a float of 14.9% of *Maroc Telecom*'s remaining shares.¹¹ In many instances, the government has retained a stake in primarily private companies.¹² In its role of overseeing the privatisation of public enterprises, the MoF is tasked with elaborating and proposing general policy for reforming and restructuring the public sector, and opening it to private investment. The MoF is also responsible for advising on the sale of public enterprises.

The activities, performance and fiscal impact of public enterprises are described in the *Rapport sur le secteur des établissements et entreprises publics*, published at the time of the Finance Law. However, there is little attempt to identify or quantify the scale of quasi-fiscal activities either in the *Rapport* or in other elements of the budget documentation. The *Rapport* does give detailed information on government subsidies and investment.

There should be a clear legal and administrative framework for fiscal management.

The MoF consists of some 14 departments or directorates, ranging from Treasury and Budget, to Privatisation, Customs and Duties, and Public Institutions and Participation. The responsibilities and organisational structure of each department are clearly set out and are publicly available.¹³

The decentralisation of various MoF operations carried out as part of the ministry's *Strategic Action Plan, 2001-2004* has increased the efficiency of monitoring local government expenditures.¹⁴ There is no new Strategic Action Plan developed for the next medium term period. Instead, the World Bank has developed a medium-term expenditure programme to be used by the government.¹⁵ The Ministry of Budget is also putting in place an administrative reform for medium-term expenditures and is currently testing the application with four ministries, notably health and education.¹⁶

Since 2002, the government has also been moving towards a form of performance budgeting called *Globalisation des crédits* that involves restructuring budget categories according to programmes; developing objectives and indicators for each programme; and allowing greater flexibility in the way ministries spend their budget allocations.¹⁷ At the end of 2005, fifteen ministries had begun to develop performance indicators.

Legal framework for budgetary activities

The guidelines and procedures for the budget Finance Law are defined in the 1998 Organic Law, its subsequent amendments, and other laws.¹⁸ These stipulate that the Finance Law be approved annually by parliament, and that only supplementary budgetary laws be used to amend it during the course of the year. Contingency procedures are specified in case the Finance Law is not passed before the end of the calendar year, in which case the government passes a decree which releases credit for the necessary functioning of public services, and allows the government to submit new budget proposals to parliament.

During a fiscal year, if deficits arise due to unforeseen expenditures or a shortfall in revenues, the government must pass an amendment to the budget through parliament -- a *Loi de finances rectificative*. Independent observers indicate that in practice, however, many important expenditures are implemented by decree without the approval of parliament.¹⁹

In 2005, a Royal Speech (*Discours Royal*) inaugurated an extra-budgetary expenditure to fight poverty, known as INDH (National Initiative for Human Development). The CST are contributing to the costs of this programme, while the expenditure is incorporated in the Finance Law 2006 (250 million Dirham were already made available in 2005).²⁰

While there are numerous laws and decrees published on the MoF website, it is not fully comprehensive and some important documents remain unavailable. However the amount of information available to the public increased during 2005, and speeches, reports, procurement information, fiscal reforms, and macroeconomic statistics are more readily available. In 2005, the Finance Law for 2006 was available on the MoF website.²¹

Legal framework for taxation

The MoF's Tax Department administers taxes and duties. The department disseminates extensive information on the tax system, including explanations of different taxes, information on tax concessions for various sectors of the economy, guidance notes for taxpayers, and tax laws.²² Taxes have a clear basis in law. A number of relevant legislative documents and procedures are either reproduced or described on the MoF's website.

At the local level, the tax system would benefit from simplification and streamlining. There is a proliferation of local taxes that are a burden to administer yet yield relatively small amounts of revenue.²³ A reform project for local taxation is currently underway.

The Finance Law 2006 provides for three key fiscal reforms. Intentions are first to continue the simplification and harmonisation of the legal framework. The VAT will be reformed this year, with a reduction of rates for some construction work, an increase from 7% to 10% for some financial operations, and increases ranging from 7% to 20% for some operations such as those related to the national lottery.²⁴

Ethical standards for public servants

The General Statute on Public Office regulates the conduct of civil servants and the public administration. The regulations of this statute are formulated by the Ministry for the Modernisation of the Public Sector (MMSP).²⁵ A law governing the responsibilities of fiscal directors, inspectors, and public accountants was adopted in May 2002, and effective control of the fiscal process has been further enhanced by the January 2003 law on fiscal jurisdictions.²⁶

2. PUBLIC AVAILABILITY OF INFORMATION



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The public should be provided with full information on the past, current, and projected fiscal activity of government.

Central government operations

Morocco subscribed to the IMF Special Data Dissemination Standards (SDDS) on 15 December 2005 and has been praised by the IMF for the efforts conducted towards achieving international data standards.²⁷ There is also a strong push from within the government -- in particular, *La Direction de la Statistique* -- to conform to international data standards.²⁸

The principal vehicles of disseminating information on the government's fiscal activity are the annual budget documentation (the Budget Presentation Note and the Finance Law) and periodic reports from the MoF. The annual Finance Laws for the previous and current years are available from the Budget Department and the Ministry's website.

The MoF's regular publication is its *Note de Conjoncture*, which it publishes monthly on its website. Public finance and debt data are provided with the *Note*.²⁹ The Table of Treasury Expenditure and Revenue -- *Charges et Ressources du Trésor* -- that is published with the *Note* and compiled by the Directorate of Treasury and External Financing (DTFE) is the MoF's principal source of statistics of public finances.

The Budget Presentation Note sets out the economic, political and social objectives of the government; budgeted expenditure and revenues; and action programmes for specific ministries. In addition, the Finance Law contains an *Economic and Financial Report* that examines the national and international macroeconomic environment, the competitiveness of the national economy, and the Finance Law in this context.

The budget documentation provides a one-year forecast for the principal macroeconomic indicators and main budget aggregates. The World Bank has suggested that the MoF might consider extending the forecasts to facilitate longer-term budgetary planning and assessments of fiscal sustainability. With regard to information on tax receipts, a number of independent observers mentioned the need for the publication of a more detailed breakdown of tax revenues by segments. Currently, information on tax revenues is only provided for broad categories of tax (that is, income tax, VAT and corporate tax).³⁰

This year a new report is included with the budget that examines, at least superficially, the CST. These contentious accounts, valued at 14.2% of the state budget for 2005, are shrouded in secrecy and escape parliamentary oversight.³¹ However, the inclusion of a report on the CST in the 2006 Finance Law was a positive step towards increased budgetary transparency.

Public sector operations

The MoF's reports and budget documentation provide basic aggregate fiscal data on central government operations, as well as certain information on extra-budgetary activities. The central government accounts contain annual data collected by the DTFE on the activities of the social security and pension agencies. However, the totals exclude the

activities of the Directorate of Public Establishments and Participations, which oversees Public Administrative Establishments, Public Industrial and Commercial Establishments, and non-financial public enterprises.³²

The Hassan II Fund was removed from the central budget in 2002 and transformed into a Public Industrial and Commercial Establishment, and there is detailed information on this fund in the Report on Public Enterprises and Establishments.³³ Nonetheless, some commentators felt that, although this fund's purpose is laudable, it could benefit from more transparency.³⁴

The budget documentation provides aggregate documentation for the three years prior to the current fiscal year, but does not provide information for the years following the current budget.³⁵ Consolidated budget data for the general government is not provided. Although the General Treasury now compiles aggregates on local government activities, this data is not published in the MoF's regular publication, the *Note de Conjoncture*. Plans are in place for comprehensive general government statistics.³⁶

Commentators mentioned that the lack of consolidated figures in the Report on Public Finance was keeping an intentional level of opacity. Further comments raised concern that the limited information available to the public meant that the official deficit could be understated.³⁷

Nowhere in the budget documentation is there a statement identifying and quantifying contingent liabilities, tax expenditures and quasi-fiscal activities. It was noted by the IMF that the budget documentation provides no tax expenditures estimates, but that they should be estimated by 2006.³⁸

A commitment should be made to the timely publication of fiscal information.

Debt reporting

The MoF publishes summary monthly data for domestic and external public debt on its website, which accompanies the *Note de Conjoncture*. The MoF publishes annual data in the budget and the Finance Law. The Bank Al-Maghrib, Morocco's central bank, regularly publishes debt data in the monthly *Monetary Statistics* and in its *Quarterly Bulletin*.³⁹

Advance release calendars

There is no advance release calendar available for fiscal data, although the key data is released at regular intervals in the *Note de Conjoncture*. The IMF has previously commended efforts by Morocco to improve the quality, timeliness and public disclosure of economic and financial data.⁴⁰ The MoF usually releases monthly data within approximately two months of the reference month. There is no law explicitly establishing the collection, processing and dissemination of statistics.⁴¹

3. OPEN BUDGET PREPARATION, EXECUTION, AND REPORTING



Enacted

Fiscal policy objectives, macroeconomic framework, and risks

Fiscal policy objectives

The objectives of fiscal policy are clearly laid out in connection with the presentation of the Finance Law. The government sets out its goals for key macroeconomic variables and more general policy targets. In the 2006 budget, increasing tax revenue is highlighted as a key objective for fiscal policy. The precarious fiscal situation is associated with the end of privatisation and the dismantling of tariffs (a free-trade agreement with the United States is to be finalised by January 2006).

For 2005, the budget projected a 3% economic growth rate, giving the country five consecutive years of steady growth. However, the experience of years past pointed to discrepancies between the targets and the actual figures. Indeed, the actual growth rate now forecast is 1.8%, given the difficult conditions for the agricultural sector and the rise in oil prices. The overall fiscal deficit is expected to climb to 5.5% of GDP (excluding revenues from privatisation).⁴²

Fiscal risks

The 2005 budget documentation illustrated some large-scale fiscal risks, and offered a plan for addressing them. For example, spending on salaries was shown to be 12.4% of GDP. A programme to lower public sector salaries through early retirements, a net hiring freeze and the termination of certain job functions was recommended by the World Bank.⁴³ This programme and other projects were part of an accord signed between the World Bank and Morocco worth 100 million US dollars to help improve the management of public resources and the credibility of government expenditure.⁴⁴ The target is to lower the wage bill by about two percentage points of GDP by 2009.⁴⁵ At the end of 2005, 38,600 officers left their positions, already lowering the wage bill by one percentage point of GDP.

Commentators were uncertain about the result of this programme. While some recognised the success in reducing wage costs, others highlighted the human cost in terms of quality and experience of the civil servants who are now taking early retirement -- including doctors and teachers -- as well as the financial burden to be financed by the already weak social security fund, *Caisse Marocaine des Retraites* (CMR). It was also noted that the government has already re-hired 5000 civil servants, putting in jeopardy the entire programme if the net hiring freeze is not respected over the next three years.⁴⁶

Furthermore, reliance on revenues from privatisation has been a persistent risk factor in the MoF's fiscal projections. Many commentators condemn the government's decision to continue to treat privatisation revenues as above the line revenue.

Fiscal sustainability

After a marked decrease in the central government debt to GDP ratio from 86% in 1992 to 69.4% in 2003, the figure rose very slightly last year.⁴⁷

The informal economy is large in Morocco. According to commentators, to bring these illegal industries under the umbrella of the state would require a technically difficult and politically explosive solution. However, by doing so, the government would increase tax revenue, an area of concern cited in the budget for 2005 and 2006. Also, large private sector firms have lobbied hard for the government to take a stronger stance on the issue, as they are sometimes forced to compete with black market operations.⁴⁸

The Budget Directorate is responsible for preparation of the 2005-07 Medium Term Fiscal Framework (MTFF). However, the IMF has cautioned that the budget is not incorporated in medium-term planning, which limits the assessments for medium-term sustainability.⁴⁹

The IMF noted that the overall balance of the consolidated general government operations and that of the public sector are not systematically monitored; as such the main indicator for the fiscal position remains the overall balance of the central government.

Budget presentation

The Finance Law for the new budget must be presented to parliament at least 70 days before the end of the current fiscal year. The fiscal year is the same as the calendar year. The accompanying *Economic and Financial Report* should also be presented by 1 November. The budget is presented in a pre-arranged format, split by administrative, economic and functional levels of government, and budgetary management. Budget data are reported on a gross basis.

Data reporting

Changes in the government's fiscal position are regularly reported in the monthly *Note de Conjoncture*. A Table of Treasury Expenditure and Revenue -- *Charges et Ressources du Trésor* -- is provided with the *Note*, which details actual monthly revenues and expenditures as well as financing needs. However, it does not contrast actual amounts with budgeted amounts.

Budget execution and monitoring

Internal control

Procedures for budget execution and monitoring are set out in a number of laws, in particular the Law for the Control of Expenditure Commitments and its subsequent amendments.⁵⁰ Various departments and other institutions provide pre- and post-budget execution monitoring. The MoF's Expenditure Commitment Inspection Office -- *Le Contrôle Générale des Engagements de Dépenses de l'Etat* (CED) -- is the principal body charged with a priori monitoring of the regularity of expenditure commitments. Although the CED is a division of the MoF, it is technically an administrative control rather than an internal control. Also, the General Treasury is responsible for the execution of the Finance Law and the supervision of the finances of the local governments. The Treasury is responsible for monitoring tax collection, savings, other flows of funds, and the budgets of local and regional authorities.⁵¹

Commentators stated that controls tend to be heavily geared towards an a priori and formal approach, which can result in excessive bureaucracy. Conversely, the CED has gone to great lengths to reduce the red tape and standardise the control function.⁵²

A posteriori control is exercised by the General Inspectorate of Finances (*Inspection Generale des Finances*), the Accounts Chamber (the *Cour de Comptes*), and parliament. However, in practice this remains a major area of weakness. The effectiveness of the extant control mechanisms is constrained, partly because of limited human resources, but primarily due to a lack of cooperation between different bodies charged with monitoring and control functions.

The General Inspectorate of Finances (GIF), established in 1960, audits the activities of central and local administrations, quasi-public enterprises and public enterprises. The Inspector General is appointed by Royal Decree. The GIF draws up an annual audit programme, approved by the minister of finance, which lists the institutions that will be subject to an audit during the course of the forthcoming year. While the number of institutions covered is large, the GIF has shifted its focus to large public enterprises that perform a strategic role in the economic and social development of the country. When an audit uncovers significant irregularities the GIF can pass on the file to the Accounts Chamber or to the courts.

Accounting basis

Revenues are recorded on a cash basis and expenditures after the payment order has been issued. Flows are valued on the basis of the payments made.⁵³ Regulations for public accounts procedures can be found in the Royal Decree for the Regulation of Public Accounts 1967.⁵⁴

The MoF aims to comply with the accounting standards and frameworks of the International Organisation of Supreme Audit Institutions (INTOSAI), of which Morocco is a member. Accounting accuracy is limited by inconsistencies in the accounting and auditing standards used by public and private enterprises.⁵⁵ The IMF highlighted that the accounting system does not provide timely information for the public sector or a cumulative central government-local government position.⁵⁶

Procurement and employment

Morocco has greatly improved the transparency and efficiency of its procurement process. Private sector observers indicate that public procurement practices are becoming more transparent, especially within central government.⁵⁷ However, they vary considerably according to the entity concerned, be they central government ministries, public enterprises or local administrations. Procurement at the level of the local administrations is particularly problematic because of diffuse responsibilities, which inhibit transparency. The MoF, for example, provides greater visibility of the procurement process through its website where it publishes a list of tenders and provides detailed information for the various stages of the tendering process.

The CED discloses regulations governing procurement on its website. These include full regulations of current contracts and agreements that have been made, along with payment details and fixed penalties for late delivery or non-fulfilment of contracts.⁵⁸

Corruption remains a concern in Morocco, and in 2005 Morocco was downgraded to 78th position -- with their raw score actually worsening -- on the Transparency International Corruption Perceptions Index.⁵⁹ Also, according to some commentators, companies need to be willing to give bribes in order to win local procurement contracts.⁶⁰

Fiscal reporting

There is no regular reporting by the MoF besides the official statement by the minister on the execution of the Finance Law. This takes place at a press conference after adoption of the Finance Law for the next year. In this speech the minister provides an overview of the final account of the previous year's budget. Mid-year reports on budget developments are only presented to the legislature when there are major changes to the budget. In such cases, the finance minister must announce the changes to parliament. Parliament may request additional information from the minister and he may be called upon to come to parliament to answer questions.

4. ACCOUNTABILITY AND ASSURANCES OF INTEGRITY

●●● Enacted

Data quality standards

The budget documentation does not include a statement of the accounting basis and standards used in the compilation and presentation of the budget data. The Table of Treasury Expenditure and Revenue is prepared in accordance with the IMF Government Finance Statistics Manual (GFSM) 1986.⁶¹

The MoF uses accounting standards which it developed in collaboration with relevant departments and professional organisations, and which were consolidated by the National Accounting Council in the early 1990s.⁶² These appear to include both cash and accrual accounting, and other methods. There are only limited indications of internal data consistency and reconciliation with data from other sources.

There are no statements made about the accounting basis in the budget documentation or in final account documents. The IMF has noted that the double-entry book-keeping system no longer conforms to international standards.⁶³

Independent scrutiny of fiscal information

Independent Audit

The Accounts Chamber is responsible for providing independent oversight of public finances. Its two principal functions are inspecting on an annual basis the accounts of the public accountants -- *comptables publiques* -- and undertaking management audits of public entities. The precise modalities of when and how the Accounts Chamber can be called upon to undertake a management audit are not clearly specified. The role of the Accounts Chamber as a source of independent oversight for public finances could be significantly strengthened, however, by providing it with the powers and resources to set its own priorities. At present, the Accounts Chamber only acts when called upon to do so by external organisations such as a ministry. This limits its ability to perform as an effective source of independent scrutiny.

A law on financial jurisdictions extends the jurisdiction of the Accounts Chamber to cover local government accounts through the creation of Regional Chambers -- *Cours régionales des comptes* -- which report to the chamber.

Commentators mentioned that there was still no official report published by the Accounts Chamber regarding public expenditures. Moreover, the level of independency of the Accounts Chamber has raised concerns.⁶⁴

The Accounts Chamber presents an annual report to the King, confirming that this activity has been carried out in accordance with the law. The law on financial jurisdictions requires the publication of the report in the *Bulletin Officiel*.

The Accounts Chamber is also responsible for auditing the government's final expenditure accounts -- the *Loi de règlement*. However, the MoF delayed the preparation of the final expenditure accounts for the years 1997-2002, so that in 2004 the Chamber was examining the 2001 accounts. Thanks to the new *Gestion Intégrée de Dépenses* (GID)

-- a new system for data collection was inaugurated in 2005 -- these sorts of delays should be avoided in the future. Five pilot ministries are already using the GID and the entire government should adopt it within three years.⁶⁵

A number of independent observers mentioned that accountability could also be improved by strengthening the oversight role of parliament, in particular the Public Finances Committee, by providing it with additional support, information and possibly training.⁶⁶

National Statistics Agency

The Directorate of Statistics (DS), part of the Planning High Commission, has the primary responsibility for assembling and disseminating statistical information. Since 1998, the DS and its sixteen regional offices has operated under the auspices of the Ministry of Economic Provision and Planning. The government's long-standing plan to turn it into an autonomous agency is yet to be realised.⁶⁷ The DS has also implemented a long-term strategic action plan in order to improve the quality, and collection, of data.

No law formally establishes the responsibility for the collection, processing, and dissemination of government finance statistics.⁶⁸ The DTFE has de facto responsibility for aggregating and publishing government finance statistics.

The principal problem with the statistical system has been its high degree of decentralisation. Most organisations still assemble and publish their own statistics.

INTERVIEWS

Representatives of *Oxford Analytica* interviewed the following individuals during a visit to Morocco between 28 November and 2 December 2005:

Ministry of Finance and Privatisation, Rabat

2 December 2005

Nizar Baraka	Division Chief DEPF
Abdellatif Bennani	Director of Budget

Bank Al-Maghrib, Rabat

1 December 2005

Lahcen Boutahar	Assistant to Head of International Relations
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ADDITIONAL INTERVIEWS

Rabat

29 November 2005

Carl Dawson	Executive Director	AMCHAM
Azzedine Akesbi	Economist	Transparency International
Khalid Msnaoui	Principal Economist	World Bank

1 December 2005

Abdelkader Berrada	Professor	Faculté des sciences Juridiques Economiques
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Casablanca

30 November 2005

Nadia Yousfi Charif	Jurist	Conseil Deontologique des Valeurs Mobilieres (CDVM)
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NOTES

- ¹ Décret n° 2-03-527, *Bulletin officiel*, No 5144, 18 September 2003.
- ² Décret n° 2-78-539 du 21 hijra 1398 (22 novembre 1978) relatif aux attributions et à l'organisation du ministère des finances. A summary entitled: "Les missions du Ministère," at: www.finances.gov.ma
- ³ See *DAHIR portant loi n. 1-76-584 (5 chaoual 1396) relatif à l'organisation des finances des collectivités locales et de leurs groupements* (B.O. 1er oct. 1976, p. 1057), Ministry of Finance website.
- ⁴ Interviews in Morocco, 29 November – 3 December 2004.
- ⁵ "Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module", Country Report No. 05/298 International Monetary Fund, August 2005.
- ⁶ *Morocco: Statistical Appendix* (IMF Country Report No. 04/420), International Monetary Fund, November 2004.
- ⁷ Interviews in Morocco, 28 November – 2 December 2005.
- ⁸ Interviews in Morocco, 29 November – 3 December 2004.
- ⁹ Interviews in Morocco, 28 November – 2 December 2005.
- ¹⁰ *Rapport sur le secteur des Établissements et Entreprises Publics*, www.finances.gov.ma
- ¹¹ See "Vivendi Universal devient roi de Maroc Telecom," ZDNet, 23 November 2004.
www.zdnet.fr/actualites/business/0,39020715,39184690,00.htm
- ¹² *Rapport sur le secteur des Établissements et Entreprises Publics*, at: www.finances.gov.ma
- ¹³ See under 'Organisation', at: www.finances.gov.ma
- ¹⁴ See *AL MALIYA*, No. 30, June 2003.
- ¹⁵ Interviews in Morocco, 28 November – 2 December 2005.
- ¹⁶ Interviews in Morocco, 28 November – 2 December 2005.
- ¹⁷ Note de Présentation de la Loi de Finances 2004, at: www.finances.gov.ma
- ¹⁸ Budget Department, Ministry of Finance, 'Textes et Reglementation', at: www.finances.gov.ma
- ¹⁹ Interviews in Morocco, 29 November – 3 December 2004.
- ²⁰ Interviews in Morocco, 28 November – 2 December 2005.
- ²¹ See www.finances.gov.ma/LoiDeFinances/loi2006/LoiFinance2006.htm
- ²² Tax Department, Ministry of Finance, at: www.finances.gov.ma
- ²³ "Nouvelle Nomenclature Budgétaire des Collectivités Locales et de leurs groupements", Trésorerie Générale du Royaume, Ministry of Finance website.
- ²⁴ See Finance Law 2006.
- ²⁵ Interviews in Morocco, 10-11 December 2002.
- ²⁶ See "Loi sur la responsabilité: Le crédo de la bonne gouvernance", *AL MALIYA*, No. 29, March 2003.
- ²⁷ <http://dsbb.imf.org/Applications/web/sddswhatsnew> "Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module", Country Report No. 05/298 International Monetary Fund, August 2005.
- ²⁸ See "Plan d'action à long terme de la Direction de la Statistique," at: www.statistic-hcp.ma/
- ²⁹ See www.finances.gov.ma
- ³⁰ Interviews in Morocco, 29 November – 3 December 2004.
- ³¹ See "Budget: Des comptes très spéciaux", *Aujourd'hui Le Maroc*, Version électronique, 7 December 2004.
- ³² "Morocco: Report on the Observance of Standards and Codes – Data Module"; International Monetary Fund, April 2003, available at: www.imf.org/external/np/rosc/rosc.asp#M
- ³³ *Rapport sur le secteur des Établissements et Entreprises Publics*, 2005, p. 19 at: www.finances.gov.ma
- ³⁴ Interviews in Morocco, 29 November – 3 December 2004.
- ³⁵ "Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module", Country Report No. 05/298 International Monetary Fund, August 2005.
- ³⁶ Interviews in Morocco, 10-11 December 2002.
- ³⁷ Interviews in Morocco, 28 November – 2 December 2005.
- ³⁸ "Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module", Country Report No. 05/298 International Monetary Fund, August 2005.
- ³⁹ See Monetary Statistics at: www.bkam.ma
- ⁴⁰ See for example, 'IMF concludes 2001 Article IV consultation with Morocco', Public Information Notice No. 01/80, August 2001.
- ⁴¹ "Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module", Country Report No. 05/298 International Monetary Fund, August 2005.
- ⁴² IMF Public Information Notice, (IMF Country Report 05/125), International Monetary Fund, September 2005.

⁴³ Note de Présentation de la Loi de Finances 2005, p. 14 at: www.finances.gov.ma

⁴⁴ Rapport #: P7589-MOR, World Bank Document, 4 June 2004.

⁴⁵ “Morocco: 2004 Article IV Consultation” (IMF Country report No. 04/162), International Monetary Fund, June 2004, p. 12.

⁴⁶ Interviews in Morocco, 28 November – 2 December 2005.

⁴⁷ *Rapports Economique et Financier du projet de Loi de Finances 2005*, p. 104.

⁴⁸ Interviews in Morocco, 29 November – 3 December 2004.

⁴⁹ “Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module”, Country Report No. 05/298 International Monetary Fund, August 2005.

⁵⁰ Mohammed Benyahya, *Le Budget de l’Etat*, Collection ‘Guide de Gestion’, 2002, pp.193-212.

⁵¹ General Royal Treasury, Ministry of Finance, at: www.finances.gov.ma

⁵² Interviews in Morocco, 29 November – 3 December 2004.

⁵³ “Morocco: Report on the Observance of Standards and Codes – Data Module; Response by the Authorities; and Detailed Assessments Using the Data Quality Assessment Framework” (IMF Country Report No. 03/92), International Monetary Fund, April 2003, available at: www.imf.org/external/np/rosc/rosc.asp#M

⁵⁴ See pages for the General Royal Treasury (*Trésorerie Générale du Royaume*), including the ‘Décret Royal n. 330-66 (10 moharrem 1387) portant règlement général de comptabilité publique’ under ‘Textes Réglementaires’, at: www.finances.gov.ma

⁵⁵ “Report on the Observance of Standards and Codes (ROSC), Kingdom of Morocco: Accounting and Auditing”, IMF and World Bank, July 2002.

⁵⁶ “Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module”, Country Report No. 05/298 International Monetary Fund, August 2005.

⁵⁷ Interviews in Morocco, 29 November – 3 December 2004.

⁵⁸ See pages for the Expenditure Commitments Inspection Office (CED), including for ‘Dépenses du Matériel’, at: www.finances.gov.ma

⁵⁹ TI Corruption Index 2005 at www.transparency.org/cpi/2005/cpi2005.sources.en.html See also www.transparencymaroc.org

⁶⁰ Interviews in Morocco, 29 November – 3 December 2004.

⁶¹ “Morocco: Report on the Observance of Standards and Codes – Data Module; Response by the Authorities; and Detailed Assessments Using the Data Quality Assessment Framework” (IMF Country Report No. 03/92), International Monetary Fund, April 2003, available at: www.imf.org/external/country/mar/index.htm

⁶² “Report on the Observance of Standards and Codes (ROSC), Kingdom of Morocco: Accounting and Auditing”, IMF and World Bank, July 2002.

⁶³ “Morocco: Report on Observance of Standards and Codes, Fiscal Transparency Module”, Country Report No. 05/298 International Monetary Fund, August 2005.

⁶⁴ Interviews in Morocco, 28 November – 2 December 2005.

⁶⁵ Interviews in Morocco, 28 November – 2 December 2005.

⁶⁶ Interviews in Morocco, 19-21 November 2003.

⁶⁷ See www.statistic-hcp.ma

⁶⁸ “Morocco: Report on the Observance of Standards and Codes – Data Module; Response by the Authorities; and Detailed Assessments Using the Data Quality Assessment Framework” (IMF Country Report No. 03/92), International Monetary Fund, April 2003.